



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 4, 1999

Benjamin L. Ginsberg, Esq.  
Donald F. McGahn II, Esq.  
Patton Boggs, LLP  
2550 M St., N.W.  
Washington, D.C. 20037-1350

RE: MUR 4887  
Federation of American Health Systems  
Political Action Committee and  
Sylvia Urlich, as treasurer

Dear Messrs. Ginsberg and McGahn:

On September 29, 1999, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

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Enclosed you will find a copy of the fully executed conciliation agreement for your files.  
If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Thomas J. Andersen*

Thomas J. Andersen  
Attorney

Enclosure  
Conciliation Agreement

0750-465-40-66  
99-04-394-0570

**BEFORE THE FEDERAL ELECTION COMMISSION**

|  |   |          |
|--|---|----------|
| In the Matter of                                 | ) |          |
|  | ) | MUR 4887 |
| Federation of American Health Systems Political  | ) |          |
| Action Committee and Sylvia Ulrich, as treasurer | ) |          |

**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe the Federation of American Health Systems Political Action Committee and Sylvia Ulrich, as treasurer ("Respondents"), violated 2 U.S.C. § 441b(a).

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. The Federation of American Health Systems Political Action Committee ("FedPAC") is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Sylvia Ulrich is the treasurer of FedPAC.

3. FedPAC is the separate segregated fund of the Federation of American Health Systems ("Federation"), a non-profit, incorporated national trade organization.

4. Tenet Healthcare Corporation ("Tenet Healthcare") is a member of the Federation and a corporation within the meaning of 2 U.S.C. § 441b(a).

5. Tenet Healthcare Corporation Political Action Committee ("TenetPAC") is Tenet Healthcare's separate segregated fund and a political committee within the meaning of 2 U.S.C. § 431(4).

6. The Federal Election Campaign Act of 1971, as amended, prohibits a corporation from making contributions or expenditures in connection with any Federal election. 2 U.S.C. § 441b(a); 11 C.F.R. § 114.2(b). Section 441b(a) further prohibits any political committee to knowingly accept such a contribution. *See also* 11 C.F.R. § 114.2(d).

7. The term "contribution or expenditure" shall include "any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value . . . to any candidate, campaign committee, or political party or organization, in connection with any" Federal election. 2 U.S.C. § 441b(b)(2). *See also* 2 U.S.C. § 431(8)(A)(i); 11 C.F.R. §§ 114.1(a)(1) and 100.7(a)(1).

8. The Commission's regulations further explain that corporations and their representatives are "prohibited from facilitating the making of contributions to candidates or political committees, other than to the separate segregated funds of the corporations . . . ." 11 C.F.R. § 114.2(f)(1).

9. In 1997, pursuant to a FedPAC fundraising effort, Tenet Healthcare solicited a certain number of senior executives to contribute to FedPAC. A total of 27 Tenet

Healthcare executives responded to these solicitations by making checks intended for FedPAC, but made out to TenetPAC, in amounts ranging from \$500 to \$3,000.

10. These contributions intended for FedPAC were collected by Tenet Healthcare and deposited into TenetPAC's account between November 7 and December 22, 1997. When the amount reached the target level of \$35,000 on December 22, TenetPAC sent a check for the total amount of contributions (\$35,350) to FedPAC.

11. The solicitation, collection, processing and transmittal of these funds constituted an in-kind contribution by Tenet Healthcare to FedPAC.

V. Respondents accepted 27 contributions totaling \$35,350 solicited on their behalf by Tenet Healthcare, in violation 2 U.S.C. § 441b(a).

VI. 1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Five-Thousand Five-Hundred dollars (\$5,500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

2. Respondents will not undertake nor otherwise engage in fundraising activity resulting in prohibited contributions or expenditures as described above that results in a corporate contribution prohibited by 2 U.S.C. § 441b(a) and 11 C.F.R. § 114.2(b).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.


VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:  
Lawrence M. Noble  
General Counsel

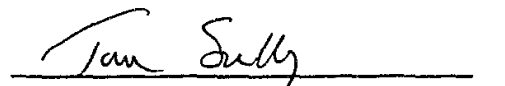
BY:

  
Lois G. Ierner  
Associate General Counsel

Date

10/4/99

FOR THE RESPONDENTS:

  
Tom Scully  
President and CEO  
Federation of American Health Systems

Date

8/31/99